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The Harding Administration

By UPTON SINCLAIR

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There is a new administration in power and a new row of faces at the governmental pie counter, but that is all. I predicted that the Harding administration would come in and would do exactly the same things that the Wilson administration had been doing, and that the ten or fifteen, or whatever the number of millions of Americans who voted for President Harding, would find that they had jumped from one portion of a hot stove to another portion exactly as close to the fire. Only the other day I was amused to read in a newspaper dispatch from Washington that the new administration was very much embarrassed by people who made fun of it on every hand because of the fact that, after damning the Wilson policies on the stump, it was now proceeding to carry out every one of the Wilson policies, and was desperately trying to figure out some one thing which it might do differently from the Wilson way. The newspaper article didn't explain the mystery, but I will do so. The Wilson administration served special privilege in America so completely that the Harding administration, after six months' study of the problem, has not yet been able to find a way to serve special privilege any more completely.

It was in foreign affairs especially that the Wilson administration made itself such a shame to us; and what has Harding done? Our army is still on the Rhine, and the valliant promise to withdraw it at once was forgotten—just as soon as France and England, who owe us many billions of dollars, pointed

out to us that it would be regarded as an impoliteness to them if we brought our boys home. For Germany owes many billions of dollars to France and England, and whereas we shall never collect our debt, France and England are trying desperately to collect theirs. They are going to occupy Germany and our big banking interests are going to keep our troops in the mess. When the next war breaks out in Europe they are going to get us into it—to save their money, you understand. To that end they are going to use the Harding administration, just as they used the Wilson administration.

PAYING WITH POLITE WORDS

A couple of years before the end of the war I made a wager with a friend. My friend entered in his note book the fact that I was to treat him to a dinner unless the Allied governments had all repudiated their war bonds within two years after the end of the war. My friend was "kidding" me about it the other day, asking for his dinner. After thinking the matter over I realized that I had been careless in drawing up that wager. The virtuous Allied nations have no idea of repudiating their debts; they fully intend to pay them—only they don't pay them. Neither do they pay the interest on the money. I have sold great quantities of books on credit, and a lot of people owe me bills and behave in exactly the same way, and their polite phrases do not help me to pay my printer! Wouldn't you like it if you could borrow all the money you wanted, and never pay any interest, and simply say a few polite words now and then? Who would dream of repudiating a debt which could be settled upon the basis of a few polite words now and then? The poor Harding administration confronts that situation, and is just as helpless as was the Wilson administration.

When we went into that European war I sent Pres. Wilson a telegram imploring him to demand from the Allies, as the

price for our entering the war, the public repudiation of all the secret treaties and an agreement to internationalize all the territories which were the subject of dispute in the war. We had the Allies in a hole then and could have got what we wanted; we could have forced a settlement upon a basis of justice and the freedom of enslaved nationalities. But capitalist statesmen do not take the advice of Socialist agitators, and the things I publish from time to time are heeded only by a few dreamers and cranks like myself. We went into the war and poured out our blood and treasure, and all we have got out of it is the loss of our own liberty. The Harding administration falls heir to these blunders and failures of Woodrow Wilson. It cannot get us back the lives of our dead boys and it cannot get us back our money. The only thing it can do is to make sure we do not get back our liberties, and this it is doing.

HARD TIMES AT HOME

Take Mexico. The Wilson administration refused to recognize the Mexican government until it had abandoned its claim to tax the foreign exploiters who got possession of the natural resources of Mexico by corrupting the Diaz government. The Mexican people, on the other hand, are determined to overthrow any government which abandons this right to tax the foreign exploiters. So, sooner or later, we shall have to fight it out with the Mexican people and take their natural resources from them for the benefit of Wall Street. The Harding administration has endorsed this policy, and, in order to make it clear that it means business, it has taken into the Cabinet Senator Fall of New Mexico, the worst anti-Mexican jingo in the country.

Or take Russia. I will agree to take the Hughes notes to Russia, cut them into separate paragraphs, and mix them up with an equal number of paragraphs from the Colby notes to Russia, shake them up in a hat, pull them out, and defy any-

body in the United States, with the possible exception of Secretary Hughes and ex-Secretary Colby, to tell which is which.

Also, we are walking into a war with Japan—following a straight path upon which the Wilson administration started us. The Japs have grabbed the island of Yap, and we want it, and so the Japs are calling up all their reserves and we are rushing the building of naval docks on the Pacific coast.

Of course, it is very wicked of the Japanese to try to grab the Pacific Islands, and the Japs are unquestionably in an aggressive mood and are the latest peril to a world made safe for Wall Street. Before long it will cost any of us twenty years in jail to discuss this question. Now, while it is reasonably safe to do so, I rise to ask the question: Who was it that taught militarism and imperialism to the Japanese? Seventy-one years ago the Japs were a quiet, peaceable people, living a retired life under their cherry trees and painting pretty pictures of Fujiyama. Along came three American war vessels—I have a sense of personal responsibility in the matter because my grandfather commanded one of them—and forced the Japanese to open their country to foreign civilization. Naturally the Japs made note of the fact that if you had warships you could do what you pleased, while if you had no warships you had to take orders from somebody else. All that Western civilization has done in the last 71 years has been calculated to impress upon the Japanese that this is a world of iron and steel and coal and oil, and that nothing else counts. The Japs are trying to get their share in China and we are trying to block them off from it, and all the respectable capitalist newspapers and magazines are preparing your mind for the time when you will be called upon to go to war in the cause of J. P. Morgan & Co. once again.

MEXICO—RUSSIA—JAPAN

Let us take a look around us at home. Some [illegible] or fifteen years ago President Taft was stumping the country, [illegible] somebody asked him the question: "What is a man to do who is

out of work and starving?" Taft answered: "God knows." Well, maybe God did know, but he wouldn't tell—at least he hasn't told the chiefs of the Grand Old Party. There are some 5,000,000 men in this country out of work and starving, and the Harding administration doesn't know what to do about it, and doesn't consider it necessary to make a pretense of knowing what to do about it.

Oh, yes, I forgot! We are going to have a new tariff! Ten years ago the country rose up in fury and put an end to the Payne-Aldrich tariff robbery, and now we are going to have it back again. But to quiet our fury there is first going to be a tariff to fool the farmers. We have raised twice as much corn and cotton as our own people have money to buy, and now we are going to pass a law to forbid the foreigners shipping in any of their farm products to compete with us for a non-existent market! After we have that all fixed, we shall then have a tariff to forbid the manufacturers sending in the product of European cheap labor. That will enable the trusts to keep up the prices of their products, and so we shall not be able to buy the trust products; the foreigner can't buy them because he is already in debt to us; so nobody will buy them; and that is the Harding solution of the hard times problem.

There was a time when I had hope that the Harding administration might try to separate itself from the Wilson administration by setting free all the agitators for social justice whom the White Terror had thrown into jail. That was certainly a way to give Wilsonism a slap in the face. It was also a way that seemed cheap and easy, and perhaps, if we make fuss enough, if we laugh at our new administration loud enough, we may get this done. I don't want to make any prediction and risk having it made ridiculous before it gets into print; nevertheless, I can put myself in the place of the Old Guard politicians in the Harding Cabinet, and feel the shivers that go up and down their spines when they picture Gene Debs and the rest of the Socialists coming out of jail and speaking at mass meetings of tens of thousands all the way from Maine to California—coming out of prison with the prison fury in their hearts, and telling the American people what has been done to them in the past two or three years!

We held our amnesty demonstration in Washington, and maybe we accomplished something. I couldn't find a line about it in the Los Angeles newspapers. Perhaps there might have been something had it not happened that a famous moving picture star went to jail for ten days for driving her car at the rate of 56 miles an hour; and, of course, you can understand that, in the face of such an event, our newspaper editors could not have been expected to give space to the wrongs of agitators for social justice! The moving picture star brought a van load of furniture to the jail, and fixed herself up an exquisite boudoir, and spent her time listening to jazz records and holding court for visitors. Of course our newspapers had to print large photographs of the star in her jail boudoir, so how could they spare space for Gene Debs working in the hospital or for the I. W. W. boys in the jute mill at San Quentin?

THE REACTIONARY SUPREME COURT

Also, I notice that the Triple Alliance has broken down in England and the British miners are on the way to being starved out. They are very law-abiding and patient folk, these British miners, and so our newspapers are not interested in them and remain silent. But I read that the Supreme Court has handed down some more decisions against labor and likewise against the liberties of our citizens. This is in accord with the predictions I have been making for the last fifteen years. First we had Taft, and then we had Wilson, and we got our Supreme Court packed with as choice a lot of aged corporation attorneys as the country could produce. Now we have Harding, and Wall Street can rest absolutely safe. If any of the members of the Supreme Court should die in the next four years their places will be taken by some still more reactionary corporation lawyers, if any such can be found, which is doubtful. That is what the American people want; it is what they went to war for and it is what they voted for.

Also I note that the stockholders of the United States Steel Corporation have had their annual meeting and have voted their overwhelming approval of the union-smashing policy of Mr. Gary. Having the Supreme Court and the administration and a four-fifths majority of Congress on their side, these stout gentlemen are going straight ahead with their so-called "open

shop" program—meaning thereby, of course, the shop which is open to all who are willing to work in twelve hour shifts seven days a week to help Wall Street get ready for the next war. These stout gentlemen of the Steel Trust distributed a billion or two in profits out of the last war, and they are trying to make up their minds whether Mexico or Japan is to come next. I came on a phrase recently in a British Communist paper. It isn't a polite phrase, and maybe it is a dangerous phrase to reprint, but there is no fun without danger nowadays. You have heard of the Dictatorship of the Proletariat; you know, of course, that that is a very wicked and despotic form of government. In England, it appears, the workers are now talking about another form of government, known as the Dictatorship of the Big Fat Hog.

FAILURE OF THE CZARIST METHODS

Also I read that federal agents have discovered a new Communist plot in Chicago. It appears that the United Communist Party has held three conventions in the last three months, and in spite of the best efforts of the government spies it is not known who attended these conventions. And now it appears that leaflets are being distributed among the unemployed calling upon them to rise against the government! I don't want to suggest that there is any connection between this and all the doings of the Harding administration to which I have previously made reference. The new Postmaster General, ex-campaign manager of our new administration, has not yet declared his policy, so I do not know whether Socialist writers will be permitted to point out the connection between violence by government and violence against government. All that I can do is to continue to raise my feeble voice, pointing out to our new administration that everything that could be done by a government to suppress ideas by violence was done by the government of the Czar—and done in vain.

Woodrow Wilson's Cash Value to America

TEN BILLIONS LESS THAN NOTHING

From Pearson's Magazine.

More and more it is coming to be seen that governments are to be judged by the way they manage the business of the people—the economic life of the society.

Measured by this standard, there can be little doubt that of all countries engaged in the recent world war the government of the United States under Mr. Wilson was easily the worst. It not only distinguished itself by abrogating the Constitution and abolishing civil liberty; it also sinned against humanity by giving punishments for mere expressions of opinion heavier than those used in any civilized State in the last one hundred years.

And all these offenses against God and man were dirtied, so to speak, and degraded by the mad waste and extravagance, the incredible incapacity of the government in managing the nation's business.

Lord Kitchener set a record for stupidity in England. He simply would not supply high explosive shells; thought that battles ought to be fought with shrapnell. The whole question of munitions had to be taken out of his hands by Lloyd George, who supplied what was needed in double quick time and, strange to say, at a very reasonable rate. But Kitchener's worst shone by comparison with Mr. Wilson's administrators.

BILLIONS WASTED

Everyone has been shocked by the fact that $1,051,000,000 was wasted on aircraft production without a single United States airplane ever reaching the front. Now General Pershing tells

us that even at the end we had to borrow from the French for practice airplanes; we had not a sufficient number even for training.

But the records of the War Department also show that $1,191,000,000 was expended on guns, while only 133 American made guns reached the front and were in use when the armistice was signed. Over a cool billion wasted on guns with a total output of 133.

But the Ordnance Branch of the Army was not inclined to regard the wasting of a billion as its finest contribution to the history of waste.

The War Department had for use in the army 391,000 horses and mules; yet the Ordnance Branch ordered 945,000 saddles and over a million sets of double harness—enough to cover more than two million horses if they could all have been in use at the one time. They further purchased 1,637,197 horse brushes, or something more than four brushes for each horse; 2,000,000 nose feed bags were ordered so that each horse might have five bags to eat out of, and 2,850,000 halters—evidently a halter for each head and each tail and each foot. No wonder the price of leather in the United States increased out of all calculating.

The War Department decided that these horses must be branded, and so in September, 1918, when any fool could see that the war was practically over, the War Department entered into a contract with Henry Moss & Co. of New York for 195,000 branding irons, each iron to be made of copper because that metal was both scarce and expensive.

The contractors purchased 79,952 pounds of copper, or 20,000 pounds more than was needed to make the irons. Officials of the company stated that they paid 39½ cents per pound therefor. The War Department paid the company 39½ cents per pound for all the copper, and then immediately sold it back to the company for 11 cents per pound, and we won the war without branding the horses and mules because no branding irons had been delivered at the time the armistice was signed.

But in spite of all that waste the War Department paid the company the further sum of $40,000 in satisfaction of the claim

for services rendered, though they never were rendered.

In October, 1918, the War Department placed an order with the Briar Hill Steel Co. of Youngstown, O., for 776,600 sheets of corrugated steel roofing. None of this roofing had been delivered when the armistice was signed. The contract was cancelled and the contractor made a claim for loss of profits, and the records of the War Department show that this administration compromised the claim for $164,519.68.

GRAFT BEHIND THE GUN

Then the War Department entered into a contract with the Standard Steel Car Co. of Hammond, Ind., for the construction of 964 howitzer carriages. The War Department agreed to pay for the cost of the buildings, material and machinery, and the company was to paid a commission upon the total cost of such carriages to the Government.

The Government paid for the buildings which were erected upon the company's land and which cost $2,987,200, and after the armistice was signed the War Department sold these buildings back to the company for $600,000.

When the armistice was signed this company had on hand material for which the Government had paid $5,558,000, and the testimony shows that representatives of the administration sold this material back to the company as junk for the sum of $300,000, and that, too, in face of the fact that arsenals of the United States were clamoring for material of this same character.

The testimony further shows that not a single howitzer carriage had been delivered to the Government prior to the signing of the armistice, but that after the armistice was signed the Ordnance Department had the company finish 200 of these carriages, and these 200 carriages cost the Government the sum of $18,582,428.88.

In August, 1918, representatives of the War Department entered into a contract with the Jones & Laughlin Steel Co. of Pittsburg for the manufacture of toluol and ammonium sulphate at a certain price. At the time of the signing of the armistice the company had not produced a gallon of toluol or a pound of ammonium sulphate, and, the war being over, the contract

was canceled. The company put in a claim for the profits it would have earned if the war had been continued, and were paid in settlement of this claim $3,330,040.39.

No wonder the war made 20,000 new millionaires in these United States!

But the record shows worse even than this. Prior to the signing of the armistice we had sufficient motor vehicles in France for all purposes. Under the terms of the armistice we received a large quantity of motor vehicles from Germany, yet the War Department transported to France 39,993 new automobiles, and after they had been delivered to French soil the representatives of this administration promptly sold them to the French Government for 20 per cent of the cost price and allowed that government ten years in which to make payment.

And that is not the worst. The Wilson war administration acted like a drunken sailor. It commandeered 40 per cent of the foodstuffs of the United States, and at the end of the war Mr. Hare, Director of Sales for the War Department, testified that it was not until June, 1919, that the department declared a surplus. Congress had voted $100,000,000 for Mr. Hoover to purchase food for the hungry in Europe. He purchased 22,000,000 pounds of meat from the War Department. He did not purchase the 200,000,000 cans of vegetables. The National Canners' Association became disturbed lest this enormous quantity of vegetables should be dumped upon the market, and had its president, Frank Gerber, write to the War Department protesting. Col. Davis, Director of storage, was "glad to be able to relieve his mind." All the canned vegetables, he declared, would be added to the ration list. And so the American people were not allowed even to buy back the canned vegetables they had already paid for.

WORST OF ALL

But when Mr. Wilson and Mr. Palmer determined not to buy Cuban sugar offered to them at 6½c a pound, and forced the price of sugar here up to 20 and 30 cents, the War Department sold 22,000,000 pounds of sugar in France at 2c a pound rather than "disturb industrial conditions" in this country by selling it at home.

And finally, when the armistice was signed, our government had in France foodstuffs, clothing and automobiles of an approximate value of $2,000,000,000, which were sold to the French Government for $400,000,000, or 20 per cent of its real value, on long term payments.

It is unbelievable and yet true that while we were complaining of the high cost of living in America a great bulk of the foodstuffs of this country were wasted upon contracts made by the War Department after the armistice had been signed and the war ended.

So the Democratic administration by its methods managed to leave an empty treasury and a war debt of $25,000,000,000, of which more than half was absolutely thrown away.

Thank you for nothing, Mr. Thomas Woodrow Wilson. Thank you for ten billions less than nothing—your minus value to these United States in four short years.

More Business in Government

Editorial in La Follette's Magazine.

Behold the mutations of time! They are marvellous indeed. These are not the days of Roosevelt and Taft, when the Harrimans, the Morgans and the Garys were seen by the Chief Executive in the small hours of the night.

The influence of the masters of Big Business in Government was quite as potential then as now, but public opinion in those days could not be entirely ignored. It found some freedom of expression through a small section of the press and a large number of independent magazines and periodicals.

President Roosevelt privately wrote Harriman in October, 1904, saying:

"If you think there is any danger of your visit to me causing trouble—

You will observe that a Presidential interview with a railroad autocrat was at that time attended with some hazard, and so the President added that Harrimon should

"of course give up the visit for the time being; and then, a few weeks hence, before I write my message, I shall get you to come down to discuss certain government matters."

Presidents of that day, and for some time thereafter, were constrained to be wary of a too open intimacy with the Trust Magnates. Public opinion was still articulate. Monopoly control in business was secretly fostered. Its control of legislation and administration was becoming manifest, and the country was warned that we were fast falling under the domination of an "invisible government" by monster monopolies, but it was a concealed power and its agents in public office would not have dared to admit their subserviency.

All this is now changed. Big Business acquired command of practically all the mediums of publicity. The war followed and destroyed substantially the last vestige of a free press.

Another thing war did: It openly enthroned Big Business in mastery of government. President Wilson called in the Schwabs and put them in charge of Hog Island. And there was a "hog island" at every center of production for the furnishing of war supplies. The war hogs, the Trust Bosses, were in charge It was a confession that the owners of the great monopolies controlled all production. It was an admission that the Government could not conduct its war—produce its guns, ships, steel, iron, copper, oil, clothing, shoes and other supplies—without the consent of the Trust Powers. Nay, more than that, the Government found it necessary to completely surrender to the Trusts, accept their domination, permit them to contract with themselves and upon their own terms. It was a frank but humiliating confession that the Trusts own the United States.

These Trust Bosses were the "Dollar a Year Patriots." They typified the blatant hypocritical patriotism of the day. Big Business was in the saddle, and it rode the country with whip and spur. For the next century the people will sweat to pay the bills. But the money loss is the least of the ills we are to suffer.

The war is ended. The war contracts are terminated. The

Schwabs have returned to the management of their private monopolies. But they are still in government, and it is not an "invisible" power in government such as we had before the war. They are here in person under President Harding's administration, filling high stations and directing the affairs of government. They are being called in for consultation—not in the night-time, but in the day-time.

President Harding announced in his inaugural address that we are to have **"more business in government and less government in business."** And the President is proceeding with all possible dispatch to give us just that kind of an administration."

He has called Schwab into his councils. He invited Treagle, President of the Standard Oil Company of New Jersey, to become Chairman of the Shipping Board. On May 25th he gave a banquet at the White House. His honored guests were:

J. Pierpont Morgan II, the head of the House of Morgan & Co., bankers, New York;

Charles A. Sabin, of the Guaranty Trust Company of New York;

C. E. Mitchell, of the National City Bank of New York;

Wm. Kent, of the Bankers' Trust Co. of New York;

Paul Warburg, of Kuhn, Loeb & Co.;

H. C. McEldowney, of the United Trust Co. of Pittsburg;

Benjamin Strong, of the New York Federal Reserve Bank;

Secretary Mellon and Secretary Hoover.

Commenting upon this now celebrated banquet, the Journal of Commerce, 32 Broadway, New York, has this to say:

> "A 'meeting of the best financial minds' has been inaugurated by President Harding and his advisors as a means of considering the nation's industrial outlook, with particular reference to the question of extending further loans of American capital to foreign governments."

This is but the beginning. It is already announced that the government will exercise a supervisory control of the private investments of our international bankers in foreign countries. This is to be done ostensibly to promote foreign trade. Blind, indeed, the man who does not see how completely this "government supervision" of the private foreign loans of our

bankers will commit our government to insuring the collection of these loans. This is the most insidious, the most dangerous method of involving our government in entangling alliances and European complications.

President Harding's White House dinner to Morgan II and his associates was a great event for the Money Power. It was the first of its kind in history. Do you marvel that there is great rejoicing in Wall Street?

The New York Journal of Commerce hails it as—

> "A new era in the relationship of the United States Government and the nation's financial and business leaders is believed to have been inaugurated in the conference to which President Harding summoned several New York bankers on Wednesday night. These bankers returning yesterday from the meeting, which was participated in by representatives of the Cabinet, observed the customary reticence in discussing what had taken place. They did not, however, hesitate to show their gratification at the development."

One thing is clearly manifest from the report that these bankers made to their associates in New York upon their return, and that is that they have found the President pliant to their will. The Journal of Commerce further says:

> "One thing which Wall Street took extreme satisfaction in yesterday was the evident willingness of President Harding to learn. He admittedly is not an expert in financial affairs, but he is ready to accept advice and willing to be set right where he is wrong."

A beautiful spectacle, indeed—the President of the United States sitting at the feet of Pierpont Morgan II. Great teacher! Willing pupil! **Whenever he should chance to be wrong Morgan will "set him right!"**

It surely was a great day for Wall Street.

When J. Pierpont Morgan I used to visit the White House his private car always made the run from New York to Washington and back "between two days." But now J. Pierpont Morgan II comes and goes with a blare of trumpets. He is greeted and feasted in the "white light of publicity" by Presi-

dent Harding, who walks boldly in—where others would not have dared to tread a decade ago.

Is it courage, or is it just plain blundering? This administration is surely strong for the House of Morgan.

On June 10 Secretary of the Treasury Mellon held an important conference in his office at the Treasury Department. J. Pierpont Morgan II was there by special invitation. The conference was for the purpose of ascertaining whether or not "adequate financial relief" is not available for the live stock industry through private banking circles. The New York Journal of Commerce, commenting on the conference, says:

> "It was developed at the conference today that the reliance of the cattle producers in the West on their local banks has been very uncertain and inadequate. It is believed that there will be no difficulty in getting the co-operation of large Eastern Banking institutions to come to the relief of the cattle men. One plan is to ESTABLISH BRANCH BANKS in the cattle country and deal with cattle producers who want credit directly through them."

The Morgan and other "large Eastern banking institutions" are tied up financially by interlocking directorates with the Packers, and if this scheme is carried out the cattle growers will become dependent on the same financial interests.

The Federal Trade Commission Report on the Meat Packing Industry speaks as follows of this combination:

> "Kuhn, Loeb & Co. is a member of the most powerful financial group in the country, consisting of J. P. Morgan & Co., the First National Bank, the National City Bank and Kuhn, Loeb & Co., of New York, and Lee, Higginson & Co. and Kidder, Peabody & Co., of Boston. This group has been found to be 'the most active agents in bringing about the concentration of control of money and credit' in the United States."

How beautifully this system would work! The local banks in the cattle country would be put out of business by the branch banks of the "large Eastern banking institutions."

And this is only the beginning. The administration is but four months old. And we are to have "MORE BUSINESS IN GOVERNMENT!"